

How Green Is Your Channel?

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Overview

- Who is Platts Research and Consulting?
- Defining marketing channels and why you should care about them
- Which channels are being used today to sell green energy?
- What works?

E Source

Membership-based, unbiased & independent analysis

- Retail Energy Markets
- End use technologies

Resource Data International

Effective & profitable decisions

- Analysis of wholesale electric and gas markets
- Project specific analysis and assistance

Common Marketing Channels for Selling Green Energy

- Bill inserts
- Print advertising
- Internet
- Direct mail
- Telemarketing
- Radio
- TV
- Retail partnerships

Questions to Ask

Which marketing channels:

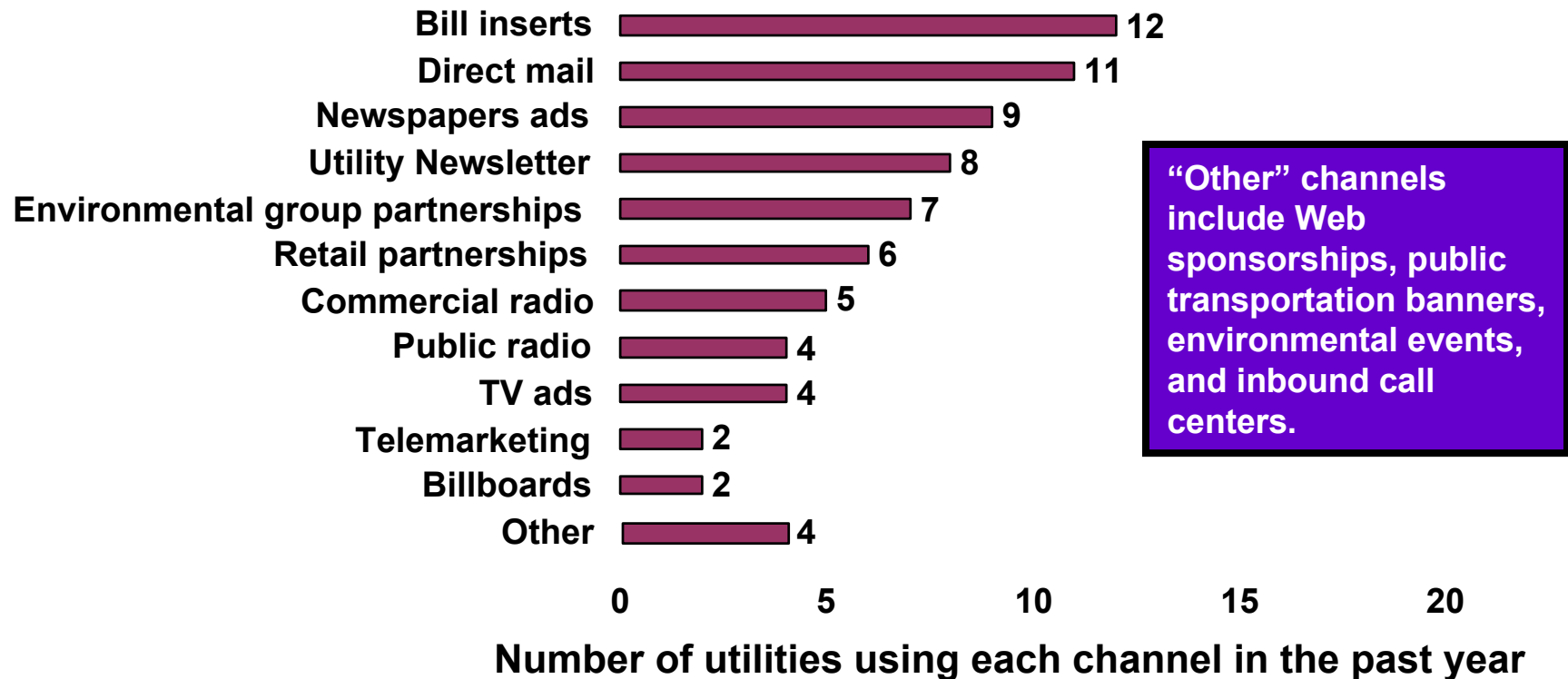
- are best for reaching green energy buyers?
- are easiest to track?
- allow for basic education?
- have proven most cost effective?

Study Description

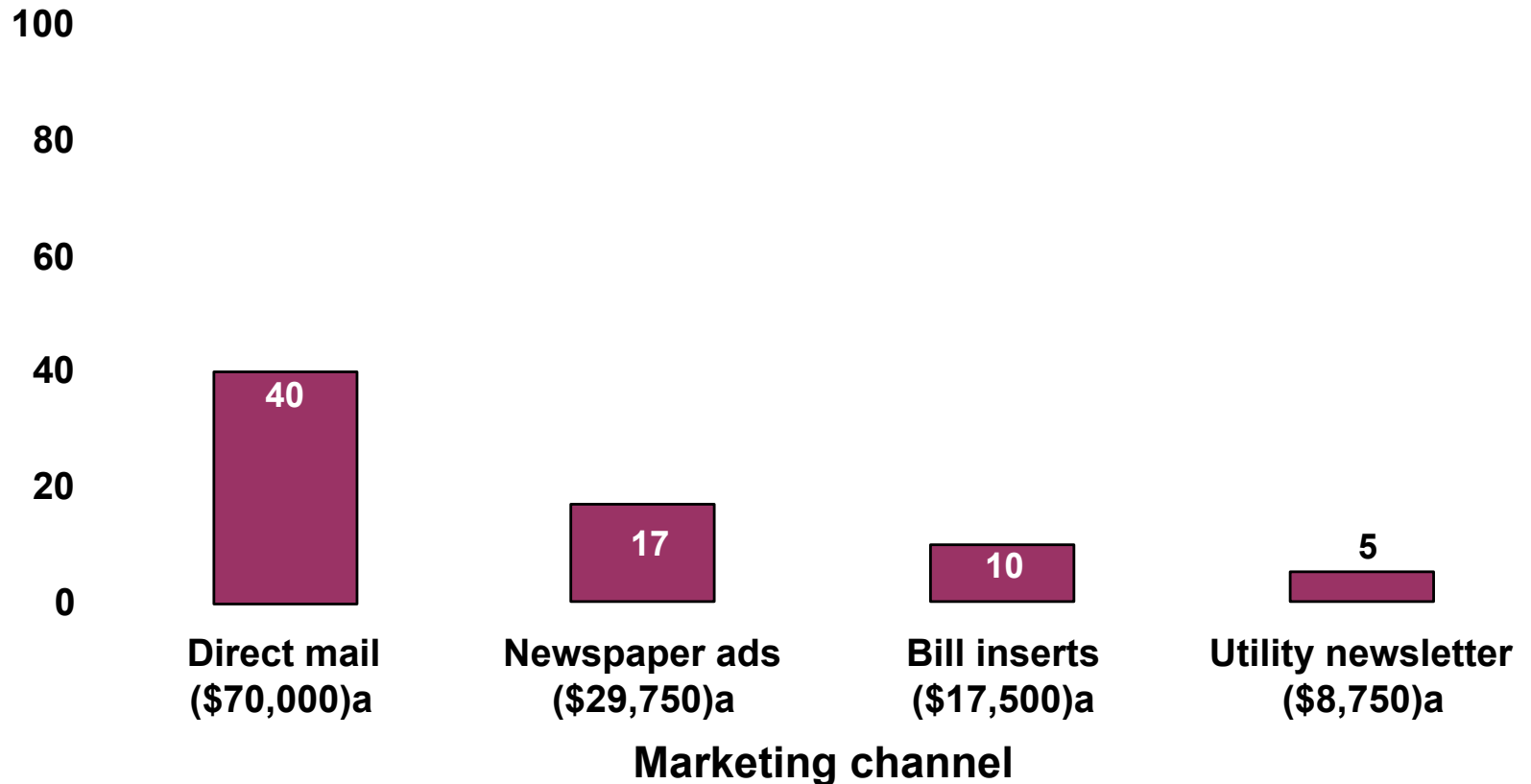
- Online survey of green energy program managers at utilities in the U.S. and Canada.
- Thirty-four utilities were e-mailed an invitation to take the survey. Thirteen provided data; the majority of respondents are members of the E Source *Green Energy Service*.
- Fielded in February 2002. We will be updating soon.

Green Energy Marketing Channels

Ninety-two percent of responding utilities used bill inserts last year, 85 percent used direct mail, 69 percent used newspaper ads, and 62 percent used a utility newsletter.



Annual Budget Allocated to “Top 4” Marketing Channels



NOTE: These figures were calculated by dividing the median annual budget for each channel by the median total annual budget (Q6) for all channels.

Bill Inserts are the Most Cost-Effective

- Cost per customer gained is about \$41; the median response rate is 0.09 percent.
- The median reported cost of the bill insert campaign is \$14,500.
- The median number of customers captured is 350.

Source: E SOURCE Green Energy Survey February 2002; Q10–11 (n~10)

Poor response rates for direct mailings

- Cost per customer gained is about \$67; the median response rate is 0.8 percent.
- The median reported cost of the direct mail campaign is \$50,000.
- The median number of customers captured is 750.

Source: E SOURCE Green Energy Survey February 2002; Q12–13 (n~10)

Making direct mail work

By targeting mailing to certain Prizm clusters, utilities can increase response rates:

- **SMUD -**
 - .7% to 1.4%
- **Avista -**
 - .33 to .93 response rate
- **Alliant**
 - 2.3 times better response rate than a control mailing

Questions?

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